

American Funds
800-421-0180

Fidelity Retirement Services
800-343-0860

Great America Life Ins. Co.
800-789-6771

Horace Mann
508-829-8065

I.D.S. Ameriprise Financial Services
508-799-8884

Metropolitan Life
800-343-4307

Nationwide Life Insurance Co.
800-848-6331

Oppenheimer Funds
800-835-7305

Putnam Investments
800-662-0019

Symetra Life Insurance Co.
877-796-3872

Travelers Companies (Citistreet)
800-842-9368

The Vanguard Group
800-662-2003

The Variable Annuity Life Ins. Co.
800-448-2542

Massachusetts Teachers Retirement
Board

www.state.ma.us/mtrb

National Council on Teachers Retirement
Benefits

www.nctr.org

Massachusetts Teachers Association
Benefits

www.mtabenefits.com

UFund College Investing Plan
www.fidelity.com/ufund

Deduction Limits

Type of Limit	2006	2007
Standard	\$15,000	\$15,500
Standard plus age 50 and older	\$20,000	\$20,500
Standard plus age 50 and older AND 15+ years service in SPS	\$23,000	\$23,500

*Staff are also eligible to contribute to a 457(b) plan with
ING which is administered by the town.

Shrewsbury Public Schools

Tax Sheltered (403b) Account Program



Retirement & Financial
Planning Resources

WHAT IS A TAX SHELTERED or 403(b) ACCOUNT?

A tax sheltered account plan, often referred to, as a “403(b) plan”, “tax-deferred annuity plan”, or simply a “TSA plan”, is a retirement plan that is tax-exempt. Generally, you can exclude from current income your voluntary contributions (or any earnings on them) in your taxable income until you begin receiving distributions from your TSA-403(b) account, usually after you retire. Because of this postponement of taxes, these plans are described as tax deferred.

While full-time school employees are enrolled in a defined benefit (aka pension plan) plan, it is universally agreed that employees should consider opening a TSA-403(b) so as to supplement their pension benefit.

WHO IS ELIGIBLE?

All employees of the School Department who are “benefit eligible” can contribute to a TSA-403(b) plan. This includes school administrators, teachers, clerical workers, aides, and childcare providers, cafeteria workers, and all other para-professionals.

WHAT ARE THE BENEFITS?

Contributions to a TSA (also termed” elective deferrals”) from your paycheck are exempt from federal and state taxes. Your investments and earning on those investments grow tax deferred. But staff should be aware that within the category of TSA investments a variety of products and investment options exist. Some products are straight “mutual fund” investments while others include a life insurance contract as part of the investment. You should also know that management fees vary widely and if you use a broker or financial planner there may be additional fees involved. Do your homework before choosing your vendor and product.

HOW MUCH CAN I CONTRIBUTE?

Employees make contributions on a voluntary basis via payroll deduction. The maximum amount an employee can contribute varies by individual and tax year. For most employees deduction limits are defined in the chart on the back of this brochure. For more information, see IRS Publication 571: “TSA Programs for Employees of Public Schools”.

HOW DO I GET STARTED?

Conduct your own research on the companies and products available, and then select a TSA vendor and amount to contribute. Vendors will supply you with a TSA Enrollment Kit that includes a Salary Reduction Agreement. We must receive your signed Salary Reduction Agreement to begin your investments via payroll deduction. You can begin your TSA investments at any point during the school year. Once we receive your Salary Reduction Agreement it usually will take one or two pay periods for the investment to begin. To change an existing TSA amount or vendor, you will also need to submit a new Salary Reduction Agreement.

**Contact April Yu in the
Payroll Office for more
information.**

508-841-8401